



# “No Fuss” Retirement Plans

Tax Exempt and Government Entities  
Employee Plans  
2003 IRS Nationwide Tax Forum



# “No Fuss” Retirement Plans

- 2002 IRS Nationwide Tax Forum
  - Choosing A Retirement Solution for Your Small Business
- 2003 IRS Nationwide Tax Forum
  - Establishing and Operating a “No Fuss” Retirement Plan
    - SEP (Simplified Employee Pension)
    - SIMPLE IRA (Savings Incentive Match Plan for Employees of Small Employers)



# Tax Advantages

- Employer
  - Credit for “Start-Up Costs”
  - Deductible Contributions
- Employee
  - “Saver’s Tax Credit”
  - Tax Deferred Savings



# SEP

- What is a SEP?
- Who can have a SEP?
- Where do the contributions go?



# Establishing a SEP

- IRS Model Form 5305-SEP
- Prototype Plan



# Establishing a SEP cont...

- Eligible Employee
  - Age 21
  - Worked for employer in 3 of 5 years
  - Received at least \$450 in compensation



# Operating a SEP

- Who contributes?
- Who gets contributions?
- Where do they go?
- Any limits?
- Who owns the contributions?



# SIMPLE IRA

- What is a SIMPLE IRA?
- Who can have a SIMPLE IRA?
- Where do the contributions go?



# Establishing a SIMPLE IRA

- IRS Model Form 5304-SIMPLE
- IRS Model Form 5305-SIMPLE
- Prototype Plan



# Establishing a SIMPLE IRA cont...

- Eligible Employee
  - SIMPLE IRA
    - Any employee who received at least \$5,000 in compensation during any 2 preceding years and is reasonably expected to receive at least \$5,000 for the current year.



# Operating a SIMPLE IRA

- Who contributes?
- Who gets contributions?
- Where do they go?
- Any limits?
- Who owns the contributions?



# Operating a SEP or SIMPLE IRA

- Reporting Requirements
  - Employees
  - IRS
- Amending Your Plan
  - New IRS Guidance
  - Law Changes



# Compliance

- Common Problems
  - Incorrect Employer Contributions
  - Excess Employee Deferrals
  - Not Covering Eligible Employees
  - Fiduciary Problems



# Got A Problem?

- IRS
  - EPCRS - Employee Plans Compliance Resolution System
- DOL
  - VFCP - Voluntary Fiduciary Correction Program



# Need Help?

- IRS
  - [www.irs.gov/ep](http://www.irs.gov/ep)
  - 1-877-829-5500: Customer Account Services
  - Retirement Plan Correction Programs
    - CD-ROM
- DOL
  - [www.dol.gov/ebsa](http://www.dol.gov/ebsa)